

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 181** SLS 19RS 60

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2019	8:30 AM	Author: HEWITT
Dept./Agy.: Statewide		Analyst: Alan M. Boxberger
Subject: Provides relative to certain funds in the state treasury		

FUNDS/FUNDING OR SEE FISC NOTE SG RV Page 1 of 2
Provides relative to the classification, revision, dedication, or repeal of certain funds in the state treasury. (7/1/19)

Proposed law abolishes certain funds in the state treasury; amends certain funds from being dedicated funds to being dedicated agency accounts; clarifies that unless specifically provided otherwise in statute establishing an agency account, the monies shall be invested by the treasurer in the same manner as the state general fund, and interest earnings shall be deposited into the account following compliance with the Bond Security and Redemption Fund, and shall not be deposited into the state general fund; changes the Louisiana Animal Welfare Fund to an escrow fund; corrects cross references to certain funds and accounts revised in **proposed law** and makes technical corrections; provides relative to the plan of review of certain funds and dedications that contain fees and self-generated revenues by the Dedicated Fund Review Subcommittee of the Joint Legislative Committee on the Budget; provides for recurring reviews; provides that the Dedicated Fund Review Subcommittee shall meet at least once every two years and may hold other meetings upon call of the chairperson or majority of the members; provides for an effective date of July 1, 2019.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$51	\$0	\$0	\$0	\$0	\$51
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may result in an indeterminable increase in SGF expenditures by removing a stipulation in **present law** that the Dedicated Fund Review Subcommittee of the Joint Legislative Committee on the Budget (JLCB) shall meet only on a day in which the JLCB is scheduled to convene. The legislative per diem rate of \$161 and the cost of related benefits (7.65% includes FICA 6.2% and Medicare 1.45%) is approximately \$12.32 for a daily cost of approximately \$173/day. It would cost \$2,478 per day for 14 legislators to attend meetings plus mileage reimbursement, which is approximately \$0.58 per mile. However, the impact on expenditures is indeterminable and will depend upon mileage of the members and the number of meeting days held, and the actions taken by the Subcommittee. **Note:** To the extent that the subcommittee meets on days in which the JLCB is scheduled to convene, there will be no additional cost in expenditures.

Any language in **proposed law** that changes a statutorily dedicated fund to an account that is considered to be a fee or self-generated revenue will change the classification of expenditures for the impacted activities. This does not alter total expenditures, but the classification for accounting and reporting purposes will change accordingly.

REVENUE EXPLANATION

Proposed law repeals the Louisiana Operability Communications Fund and the FEMA Reimbursement Fund effective July 1, 2019. As of April 17, 2019, the Treasury reports that the balance in the La Operability Communications Fund was \$472,114 and the balance in the FEMA Reimbursement Fund was \$51.04. The Treasury assumes the Governor's Office of Homeland Security and Emergency Preparedness will expend the balance of the La Operability Communications Fund by the end of FY 19, and reports that it will transfer the balance in the FEMA Reimbursement Fund to the SGF upon its repeal.

Proposed law amends the Battered Women's Shelter Fund and the Drug Abuse Education and Treatment Fund from dedicated funds to an account in the treasury to be considered SGR. Any remaining balances at 6/30/19 will be transferred to the SGF in FY 20. The Treasury estimates the amount available from these funds for transfer to the SGF at approximately \$569,659. Any revenue generated after FY 20 for these funds will be considered SGR.

Proposed law clarifies that the Louisiana Alligator Resource Account and the Sex Offender Registry Technology Account as defined in Act 612 of the 2018 Regular Session are to be considered SGR.

SEE REVENUE EXPLANATION CONTINUED ON PAGE TWO

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:
REVENUE EXPLANATION CONTINUED FROM PAGE ONE

NOTE: Language in both Act 612 of the 2018 Regular Session as well as **proposed law** requires the Treasury to deposit interest earnings into the accounts that are reclassified from a statutory dedication to a fees and self-generated account. The Treasury reports that it is unable to allocate interest to fees and self-generated revenues and that any interest earned on those monies is deposited into the SGF.

Proposed law makes technical changes to change the name of the Louisiana Animal Welfare Fund to an Escrow Account (this fund was abolished by Act 422 of the 2017 Regular Session), and removes references regarding transferring funds to the FEMA Reimbursement Fund from the State Emergency Response Fund.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Staff Director